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## **ENVIRONMENTAL RELEASE OF FUNDS**

A Grantee may not incur program costs for a Department of Local Affairs (DOLA) grant until there is a mutually executed contract and DOLA has issued an Environmental Release of Funds (ROF) letter. HUD regulations contained at 24 CFR Part 58, Section 58.22, prohibit a recipient and any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, from committing HUD assistance until DOLA has approved the recipient's request for release of funds (RROF) and related certification from the Grantee.

Contract activities **may not** be obligated prior to an executed contract. Grantees should become familiar with the environmental review guidelines section of the CDBG Guidebook. All of the necessary forms and instructions are found on the DOLA website at [www.dola.state.co.us/LGS/FA/CDBG/CDBG-guidebook.htm](http://www.dola.state.co.us/LGS/FA/CDBG/CDBG-guidebook.htm).

### **The ROF Process**

During the application process, the Grantee should consult with CDOH Developer to determine the level of environmental review required for development. Grantee will fill out applicable form from DOLA CDBG handbook and submit to their local certifying official. This document will then be sent to Tamra Hooper, Environmental Compliance Officer at DOLA [tamra.hooper@state.co.us](mailto:tamra.hooper@state.co.us), who will then review and draft DOLA's ROF letter.

<b>Type of ROF process required</b>	<b>Specific activity &amp; Classification</b>	<b>DOLA form(s)</b>	<b>Publication required</b>
Exempt	<ul style="list-style-type: none"><li>• CHDO Operating</li><li>• Program Administration</li><li>• Housing Needs Assessments</li><li>• Housing counseling</li></ul>	N/A as stated in award letter	Not required
Categorically Excluded Projects Not Subject to CFR 58.5	ANY project previously approved under 24 CFR Part 58 (approved either by DOLA or HUD) within 3-5 years of current project.  Current project/activity must be the same as project/activity previously approved.	Exhibit IV-B Categorical excluded activities not subject to CFR 58.5  Specifically (b)(7) - "Approval of supplemental assistance" (must include the environmental review record (ERR) for earlier project, project name, and ERR date.	Not required

Type of ROF process required	Specific activity & Classification	DOLA form(s)	Publication required
Categorically Excluded Projects Not Subject to CFR 58.5 (continued)	<ul style="list-style-type: none"> <li>• Homeownership/ Downpayment Assistance</li> <li>• Tenant-based rental assistance (TBRA)</li> <li>• Relocation</li> <li>• Pre-development costs including: legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact.</li> </ul>	<p>Exhibit IV-B Categorical excluded activities not subject to CFR 58.5</p> <p>Exhibit IV-E “Site Specific Environmental Clearance Checklist” <i>(grantee to keep a copy in project file, but does not need to submit to DOLA)</i></p>	Not required
Categorically Excluded Projects Subject to CFR 58.5 (when property is known)	<ul style="list-style-type: none"> <li>• Single Family Owner-Occupied Rehabilitation</li> <li>• Acquisition</li> <li>• Rehabilitation</li> <li>• New construction (for a 1-4 family dwelling or an individual action on a project of 5 or more units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site)</li> </ul>	<p>Exhibit IV-C “Categorical Excluded Activities Subject to CFR 58.5 ...”</p> <p>Exhibit IV-C.1 “Statutory Checklist Instructions”</p> <p>Exhibit IV-E “Site Specific Environmental Clearance Checklist” <i>(grantee to keep a copy in project file, but does not need to submit to DOLA)</i></p>	No publication necessary for Categorically Excluded projects (unless something is triggered in checklist)
Categorically Excluded Projects Subject to CFR 58.5 (when property is <b>NOT</b> known)	<ul style="list-style-type: none"> <li>• Same as above</li> </ul>	<p>Same as above, plus: Exhibit IV-C.4 “Sample Notice of Intent to Request Release of Funds”</p> <p>Exhibit IV-C.5 “Request for Release of Funds and Certification (RROF)”</p>	<ul style="list-style-type: none"> <li>• Publish for 1 day + 7 day local comment period</li> <li>• Submit RROF certification to DOLA</li> <li>• DOLA 15 day comment period</li> <li>• from date of publication to ROF, min. 25 days</li> </ul>
Full Environmental Assessment (EA)	<ul style="list-style-type: none"> <li>• New construction (5+ units)</li> <li>• Extensive rehabilitation that will substantially increase size and capacity of dwelling, and will require a change in land use</li> </ul>	<p>Exhibit IV-D “Environmental Assessment”</p> <p>Exhibit IV-D.1 “Environmental Assessment Instructions”</p> <p>Exhibit IV-D.2 “Combined Notice of Finding of No Significant Impact and Intent to Request Release of Funds (FONSI/ RROF)”</p> <p>Exhibit IV-C.5 “Request for Release of Funds and Certification (RROF)”</p>	<p>After EA is completed, grantee must publish a Combined Notice Publication of Combined Notice is followed by 2 comment periods:</p> <ul style="list-style-type: none"> <li>• 15 day local comment period followed by submittal of RROF and Certification (Exhibit IV-C-5)</li> <li>• 15 day State comment period</li> </ul>